

Risk Manager Barometer Survey 2015

4th edition



in partnership with



Management des Risques
et des Assurances de l'Entreprise



The 2015 Risk Manager Barometer Survey

The fourth edition of AMRAE's risk manager barometer survey was carried out in partnership with PwC whom we would like to thank for their involvement in surveying a large panel of risk managers in France.

The information presented in this report was prepared using an analysis of the results of an online questionnaire of nearly 190 people conducted between January and April 2015. This edition's panel of risk managers was expanded to include everyone working in risk management, both "top managers" and their teams. AMRAE would like to thank all participants for the time and care they took in answering the survey.

Just like the previous editions, the 2015 survey enables us to analyse risk managers' profiles, roles and responsibilities, compensation and career development opportunities. This year's survey report also includes such information as the analysis of risk managers' external and internal networks, and their role in the management of certain specific risks, notably those related to HR, cybersecurity and fraud.

Published every two years, the survey report is designed to provide insight into the risk management profession and gauge changes over time in order to create a key benchmarking tool while also helping to promote the profession.

We hope you enjoy reading the survey report.

Brigitte Bouquot

AMRAE Chairman & CEO

François Malan

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Bernard Gainnier

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Executive summary

Risk Managers

Profiles

The majority of risk managers surveyed were men (59%) aged 46 years and over (53%). The proportion of women in the panel has nonetheless increased since 2013 when they only accounted for 28% of survey participants.

Risk managers still hold degrees in the same three main fields of study as in 2013, i.e., business/management/economics (31%), law (24%) and engineering/science (22%). There has however been a significant drop in the portion of risk managers with degrees in law and engineering/science, who accounted for 31% and 38% of the panel, respectively, in 2013.

As in 2013, risk managers mainly work in large companies in the industrial (63%) and services (52%) sectors.

There has also been a decrease in risk managers working exclusively in risk insurance and prevention, from 42% in 2013 to 31% in 2015, and a corresponding increase in more versatile risk managers who handle risks and/or insurance.

Roles and responsibilities

Among the tasks listed in AMRAE's Risk Manager Framework, respondents indicated that their work mainly involves setting up risk management procedures, assessing and controlling risks and developing a risk culture.

In addition to these tasks specific to risk management, 29% of the risk managers surveyed indicated that they were also in charge of internal control.

As in 2013, risk managers deal with a wide range of risks, including operational risks (80%), fraud risks (75%), environmental and safety/security risks (70%), and supplier risks (67%).

Resources

The risk managers surveyed mainly report to general management (36%) or the finance department (26%) and have direct access to the CEO (62%). In 2013, only 18% of the risk managers surveyed said that they reported to general management.

To help them carry out their duties effectively, risk managers who oversee risk insurance and prevention are assisted by teams of at least five people (66%). Risk managers who are in charge of ERM are assisted by teams of at least three people (76%).

A total of 77% of the respondents stated that they had a sufficient budget.

Compensation

Risk managers' annual gross salary averaged €108,000 for "top managers" (within the range observed in 2013) and €84,000 for "non top managers". There is, however, a 15% gender pay gap among "top managers"

Career development

On a professional level, 70% of risk managers believe that risk culture development is an important avenue for advancing the profession. However, on a personal level, they would actually prefer to move into internal audit/internal control (27%) or consulting (27%).



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The survey panel

This fourth edition of the survey is designed to gauge changes in risk managers' role and situation over time. It helps to improve the profession's visibility and can be used as a legitimate benchmarking tool to assess risk managers' position in the current business environment.

The survey was carried out by AMRAE between January and April 2015 among 188 risk managers in France (versus 116 in 2013).

The report covers five key areas:

- profiles,
- roles and responsibilities,
- resources,
- compensation, and
- career development

It also includes information on:

- risk managers' networks,
- the management of certain specific risks, notably those related to HR, cybersecurity and fraud,
- the use of a risk management framework,
- the use of a risk management information system (RMIS),
- foreign languages used by risk managers, and
- additional training.

The panel of survey participants covered both members and non-members of AMRAE and included risk managers working in ERM and IP, in companies varying in size and representing a range of industries.

In 2013, the survey focused more on department heads, while in 2015 it was expanded to include other people working in risk management. To facilitate comparison with the previous edition, results relating to "top managers" (60% of participants) are provided separately, where relevant.

This year, men make up 59% of the panel compared to 72% in 2013, reflecting an influx of women into the profession.

This year's participants are also younger which, for the most part, can be explained by the larger proportion of "non top managers" in the panel.

* "Top manager" refers to a person who holds the most senior position in an organisation's risk management unit.



Profiles

Focus areas

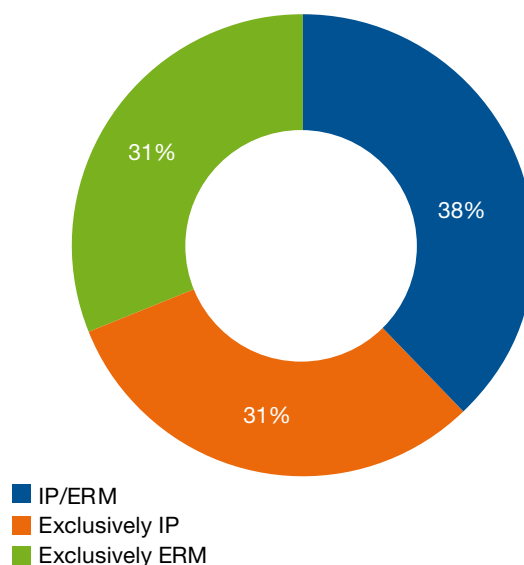
The survey analysis is based on the following three risk manager profiles:

- risk managers who deal primarily with risk **insurance** and the **prevention** of insurable risks, including site visits, which we abbreviate as **IP**,
- risk managers in charge of the company's overall risk management, also known as **enterprise risk management (ERM)**, and
- more versatile risk managers who handle both risk insurance and prevention issues and enterprise risk management, abbreviated as **IP/ERM**.

Breakdown of risk managers by professional profile

In terms of professional profile, survey participants break down as follows:

- 31% deal exclusively with IP, versus 42% in 2013,
- 31% deal exclusively with ERM, versus 19% in 2013,
- 38% have a mixed IP/ERM profile, versus 39% in 2013.



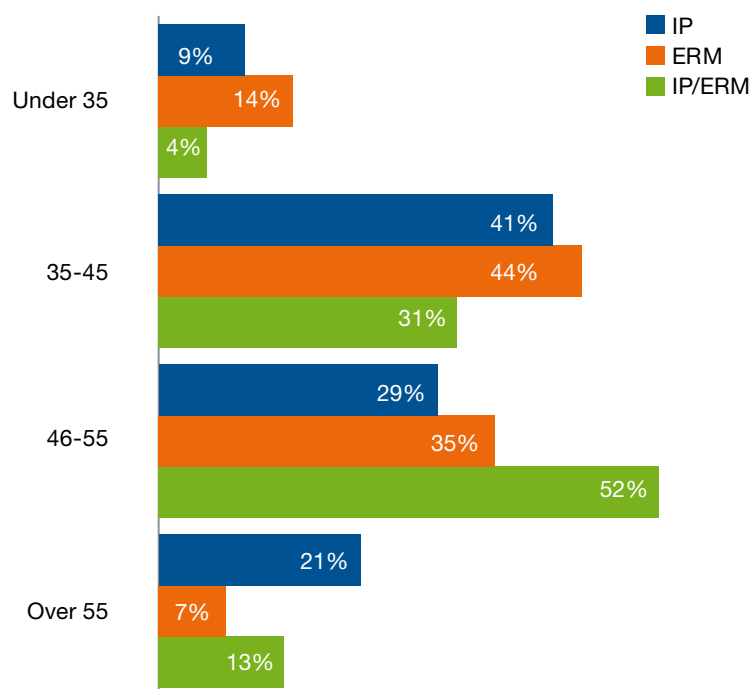
45% of "top managers" have an IP/ERM profile and 42% of "non top managers" have an IP profile.



Viewpoint

Since 2013, the proportion of "top managers" with an IP/ERM profile has increased while the proportion of those with an exclusively IP profile has decreased. This change reflects the greater variety of responsibilities allocated to risk managers, whose role now increasingly includes overall risk management.

Demographics



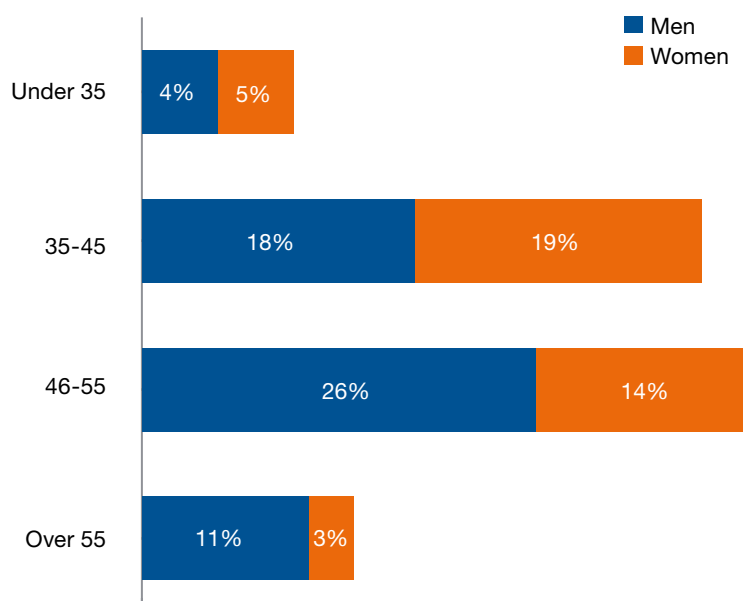
Age

As in 2013, risk manager positions are held by more experienced professionals: 53% of survey participants were over 46. This proportion increases to 65% for "top managers".

The following age differences were observed for the different professional profiles:

- 50% of IP risk managers are over 45 versus 65% in 2013,
- 42% of ERM risk managers are over 45 versus 68% in 2013,
- 65% of IP/ERM risk managers are over 45 versus 60% in 2013.

Gender



This year, half of all risk managers taking part in the survey were men.

The proportion of women in the panel has therefore increased, from just 28% in 2013.

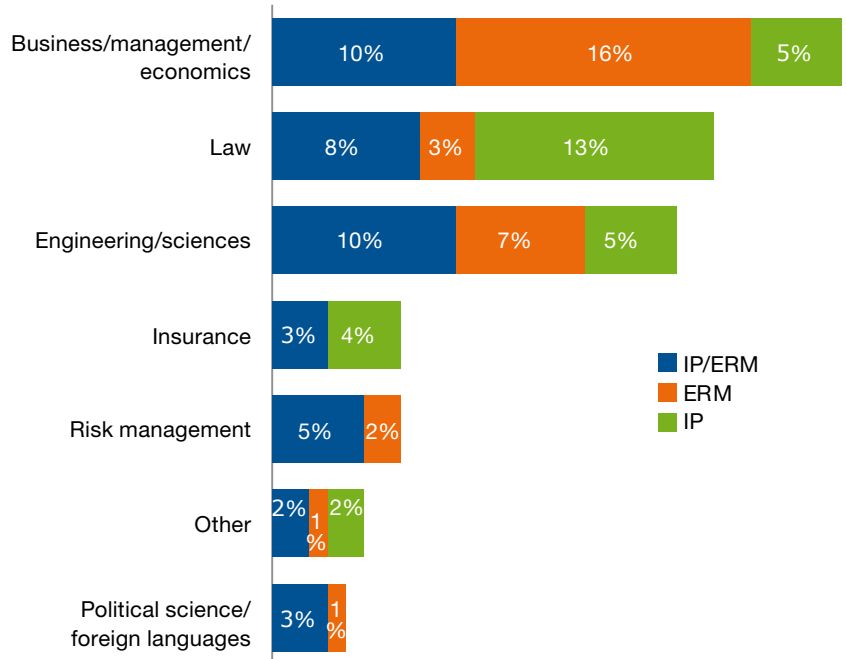
Women account for 47% of "non top managers" and only 37% of "top managers".

Education & training

Initial field of study

Risk managers' initial education can be broken down into degrees in the following three main fields:

- business/management/economics (31% of participants),
- law (24% of participants),
- engineering/science (22% of participants).

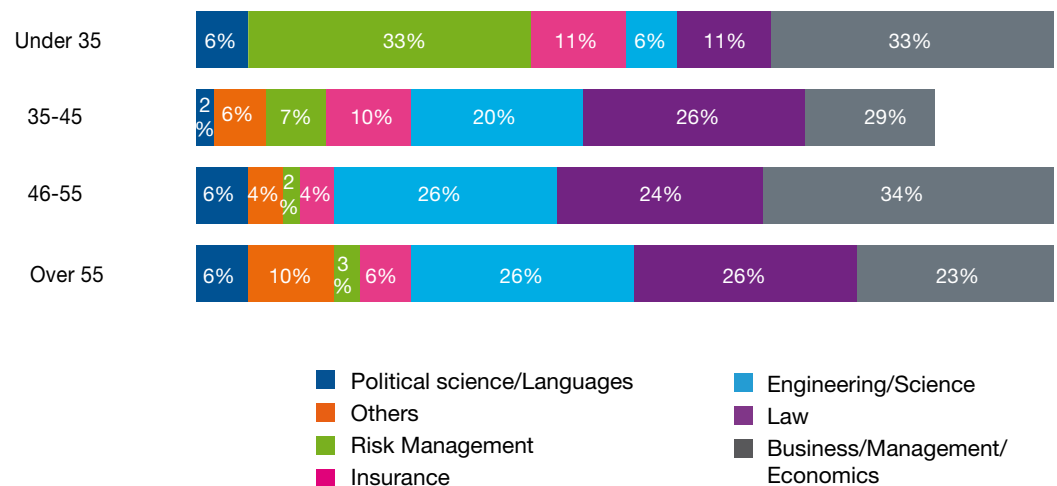


The analysis of answers by profile reveals that:

- the majority of IP risk managers have degrees in law,
- the majority of ERM risk managers have degrees in business/management/economics, and
- the majority of IP/ERM risk managers have degrees in business/management/economics or engineering/science.

In 2013, the survey participants had degrees in the following three main fields of study (multiple answer question):

Engineering/science (38%), business/management/economics (38%), and law (31%).



Risk managers aged 35 and over hold degrees in the following three main fields of study:

- business/management/economics for 29% of participants between 35 and 45 years old, 34% for participants between 46 and 55 years old and 23% of participants over 55,
- law for 26% of participants between 35 and 45 years old, 24% for participants between 46 and 55 years old and 26% for participants over 55,
- engineering/science for 20% of participants between 35 and 45 years old and 26% of participants over 45.

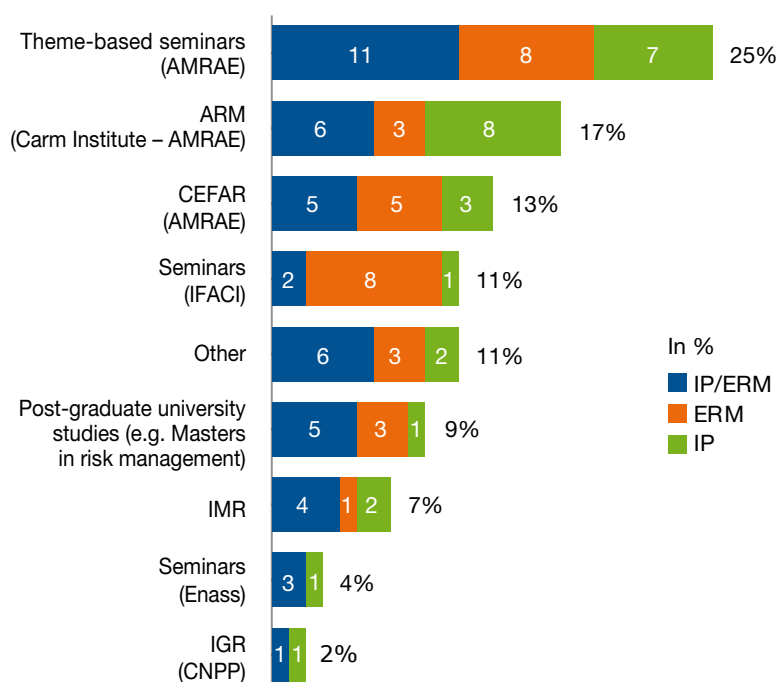
Among risk managers under 35, we observed a new trend towards specialised studies in risk management (33%) and insurance (11%), and a corresponding shift away from law (11%) and engineering/science (6%).



"My studies in finance at business school provided me with a solid foundation in business management and economics, which has given me a good understanding of financial risks, including those related to complex financial arrangements. This expertise is essential to understanding the objectives and the strategic aspect of my position as a risk manager within the finance department. Moreover, the diversity of subjects taught at business school reduces the learning curve for understanding non-financial risks, such as those related to employees, including mobility, safety and psycho-social issues. However, nothing can replace what you learn on the job. My previous positions, particularly as an insurance broker, have given me more technical expertise that is crucial in this line of work."

Testimonial by a risk manager who graduated from a French business school

Additional training in risk management



58% of the risk managers surveyed have undertaken additional training in risk management. 50% to improve skills and 32% after taking on a new position.

The three main types of additional training undertaken by risk managers are:

- theme-based AMRAE seminars (25%),
- ARM seminars (17%), and
- CEFAR seminars (13%).

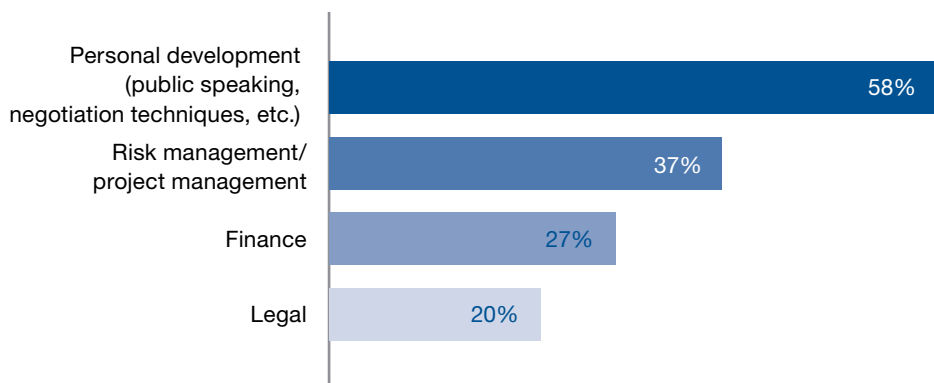
In addition, 11% of risk managers received training through other channels, such as in-house training, a risk management MBA, ISO certifications, and on-the-job training.

64% of "non top managers" and 55% of "top managers" have undertaken additional training in risk management.

This year's top three types of additional training were the same as in 2013. However, theme-based AMRAE seminars have increased in popularity, moving up to first position (25% versus 11% in 2013), as have CEFAR seminars (13% versus 8% in 2013).

Other additional training

60% of the survey participants received additional training, notably in the area of personal development (58%) and business-specific/project management training programmes (37%).

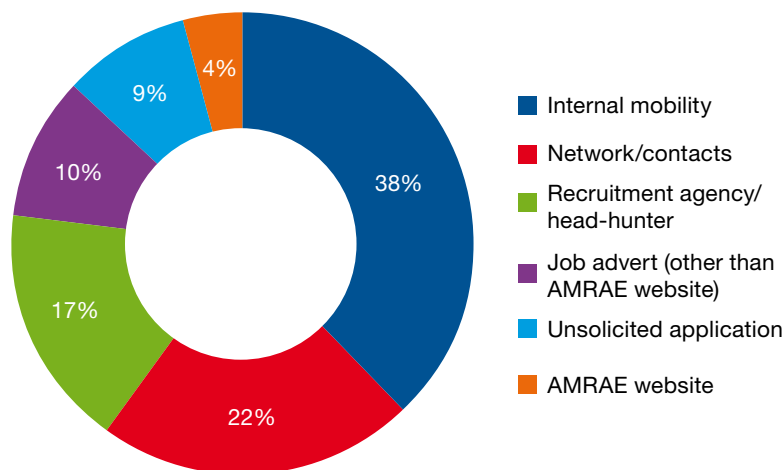


Foreign languages used by risk managers on the job

78% of risk managers use a foreign language as part of their job.

- English is used by all risk managers who speak a foreign language.
- Spanish is the second most common language (6%).

Recruitment channels and methods



60% of risk managers were recruited through internal mobility (38%) or through their network/contacts (22%).

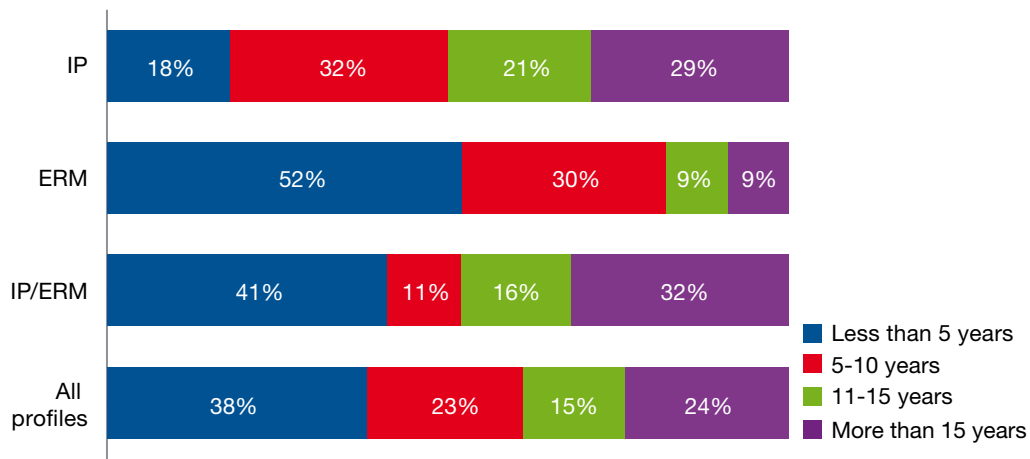
Recruitment methods have remained relatively unchanged. As in 2011 and 2013, more than one-third of the risk managers surveyed found their current job through internal mobility (38% in 2015 versus 40% in 2013 and 35% in 2011).



"A risk manager's career path should be adapted to the organisation in which he or she works. Thanks to my experience as an in-house functional and operational manager, I know the key players and the various business lines and I understand the risks to which my group is exposed. A risk manager also needs to know the other teams well in order to have the credibility and authority necessary to talk to them about risks and action plans and lead the risk management process. Furthermore, risk managers gain valuable credibility when they are able to provide detailed answers to the audit committee, which oversees the risk management process. What's really important, apart from experience, is a risk manager's ability to make a modest but useful contribution to general management's discussions on the risks and opportunities associated with the company's actions, from strategy to operations."

Testimonial by a risk manager (risks, internal control and insurance) recruited internally at a multi-sector service company

Work experience in risk management



39% of the risk managers surveyed have more than ten years of work experience in risk management, versus 44% in 2013.

When analysed by profile, the following differences emerged:

- IP risk managers are the most experienced (50% have more than ten years of experience),
- ERM risk managers have generally been in the job for a shorter time period (52% have less than five years of experience in risk management) due to the more recent development of the ERM process, and
- IP/ERM risk managers have considerable experience (48% have more than ten years of experience).

When compared with 2013, there was a:

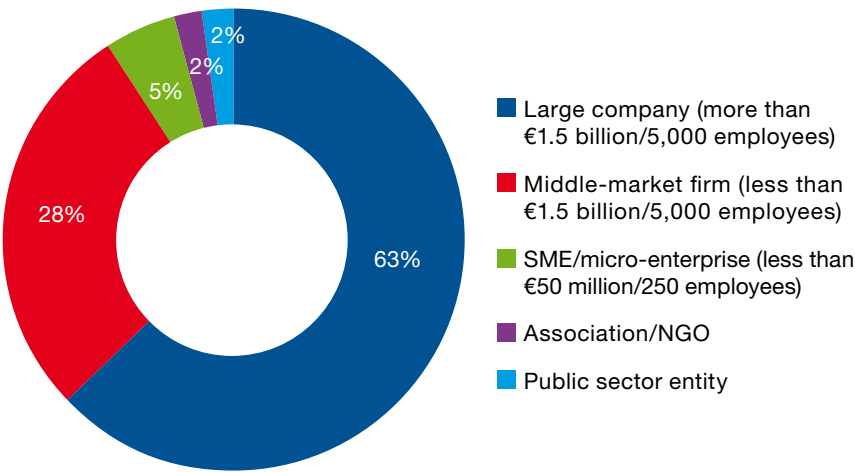
- smaller proportion of IP risk managers with at least ten years of work experience (50% versus 64% in 2013), and
- a larger proportion of ERM risk managers with at least ten years of work experience in risk management (18% versus 10% in 2013).

Employer

Company size

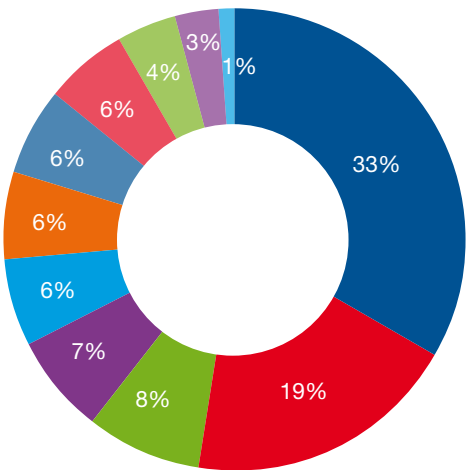
91% of the risk managers surveyed work in large or middle-market companies.

In 2015, 119 risk managers (63% of the panel) worked in large companies versus 86 (or 74%) in 2013.



Business sector

- Industry
- Services
- Insurance/reinsurance
- Consumer goods/luxury
- Construction and public works/property
- Distribution
- Transport/logistics
- Banking/finance
- Media/entertainment
- High-tech
- Consulting



52% of risk managers work in the industrial and services sectors.

In 2013, 55% of the survey participants worked in the manufacturing, energy, utilities, mining, distribution and transport sectors.



Roles and responsibilities

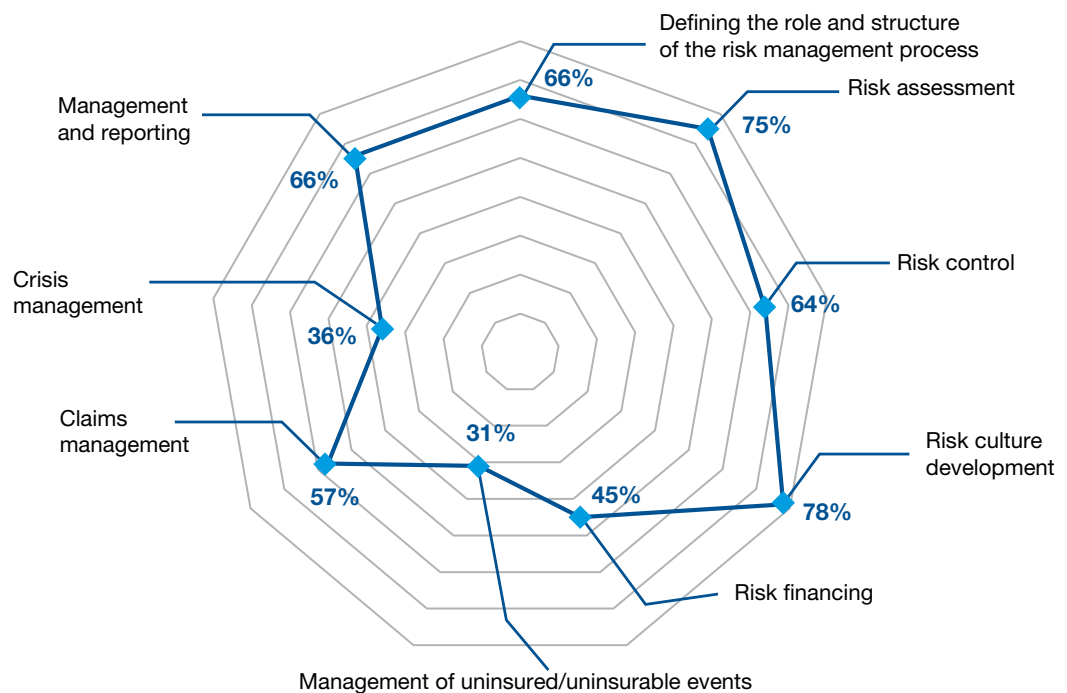


The roles and responsibilities below are taken from AMRAE's Risk Manager Framework, which is available from:

<http://www.amrae.fr/fonction-risk-manager>



The Risk Manager Framework



Risk managers primarily deal with the following:

- risk culture development (78%),
- risk assessment (75%),
- defining the role and structure of the risk management process (66%),
- management and reporting (66%),
- risk control (64%), and
- claims management (57%).

Defining the role and structure of the risk management process



The main tasks associated with defining the risk management process are:

- defining the role of the risk management process within the framework of the organisation's strategy (52%),
- risk management (52%),
- developing the organisational framework for risk management (50%).

The level of involvement depends on the risk manager's professional profile:

- IP risk managers are particularly involved in identifying risk management tasks and processes and in defining the role of the risk management process. They are less involved in preparing the risk management methodology and framework.
- ERM and IP/ERM risk managers are particularly involved in preparing the risk management methodology and framework.

Risk managers now spend considerably more time defining the role of the risk management process within the framework of the organisation's strategy (52% in 2015 versus 44% in 2013).

Risk assessment (risk identification, analysis and evaluation)



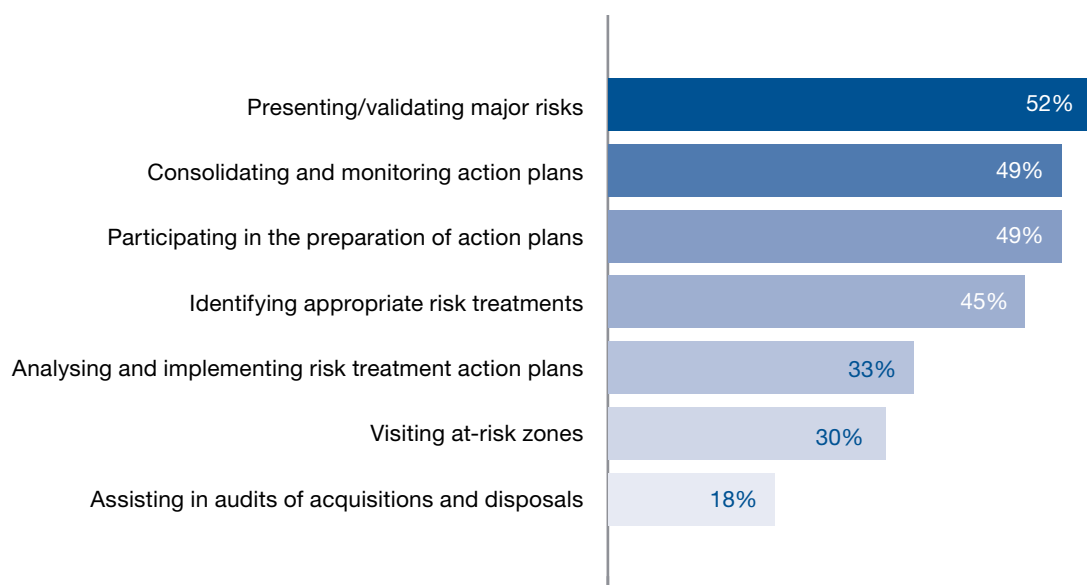
Risk assessment tasks (identification, analysis and evaluation) are carried out by at least 50% of the survey participants.

In terms of professional profile:

- IP risk managers are particularly involved in defining risk assessment tools and resources, and less involved in mapping risks,
- ERM and IP/ERM risk managers are more or less equally involved in these different tasks, however, ERM risk managers' involvement in the analysis and consolidation of their organisations' major risks has reached a high point.

Compared with 2013, the proportion of risk managers involved in risk assessment has declined for all tasks except forecasting risks and risk trends, which remained stable.

Risk control (keeping risks at acceptable levels based on the risk criteria used)



The main tasks related to risk control include:

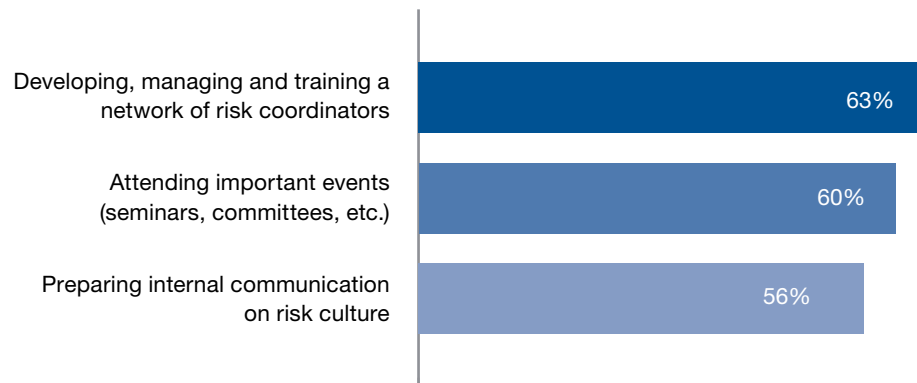
- presenting/validating major risks (52%),
- participating in the preparation of action plans, and their consolidation and monitoring (49%), and
- identifying appropriate risk treatments (45%).

Risk managers with:

- IP or IP/ERM profiles are generally the ones who visit at-risk zones,
- ERM profiles are particularly involved in presenting and validating major risks and in consolidating and monitoring action plans.

As a result of changes made to the risk management framework since 2013, it is not possible to make any comparisons with the previous survey.

Developing a risk culture



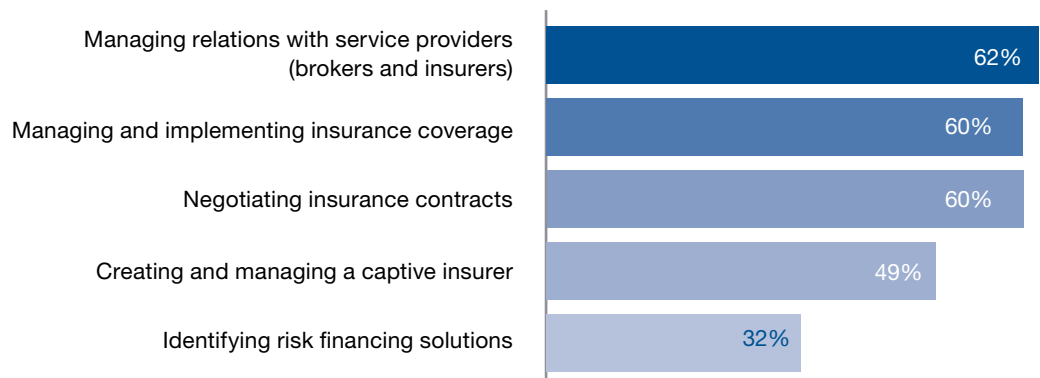
At least 50% of the survey participants took part in each of the tasks listed above.

IP/ERM risk managers do not have significant influence over the development, management and training of a network of risk coordinators.

Compared with 2013, a smaller proportion of survey participants were involved in the development, management and training of a network of risk coordinators (63% compared with 83% in 2013).

Risk financing

NB: This analysis only concerns IP and IP/ERM risk managers.



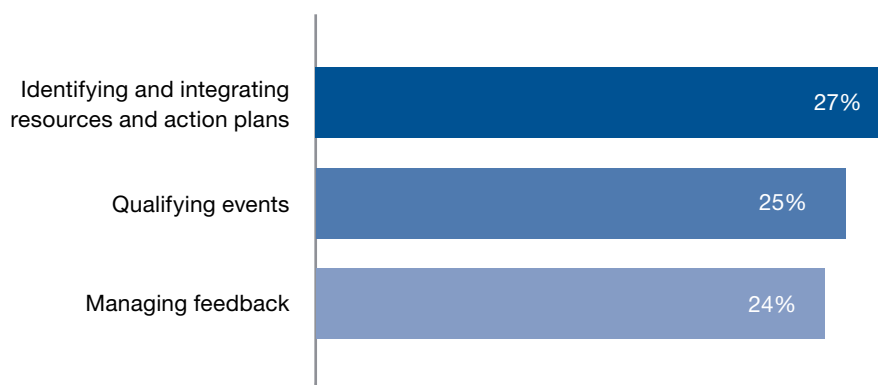
More than 50% of the survey participants carry out one of the following:

- managing relations with service providers (62%),
- managing and implementing insurance coverage (60%), and
- negotiating insurance contracts (60%).

In 2013, risk financing tasks were grouped together with claims management. The top three tasks were:

- managing relations with brokers and insurers (72%),
- following up claims (72%),
- coordinating management with partners (71%).

Management of uninsured and uninsurable events



Less than 30% of risk managers in all professional profiles are involved in identifying and integrating resources and actions plans, qualifying events and managing feedback.

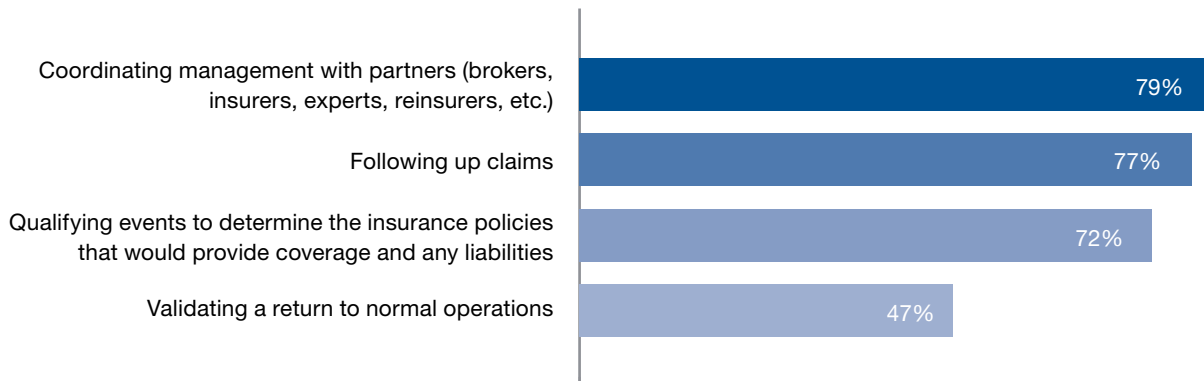
Levels of involvement also vary according to the risk manager's profile:

- 38% of IP and IP/ERM risk managers,
- 13% of ERM risk managers.

This category was created after 2013.

Claims management

NB: This analysis only concerns IP and IP/ERM risk managers.

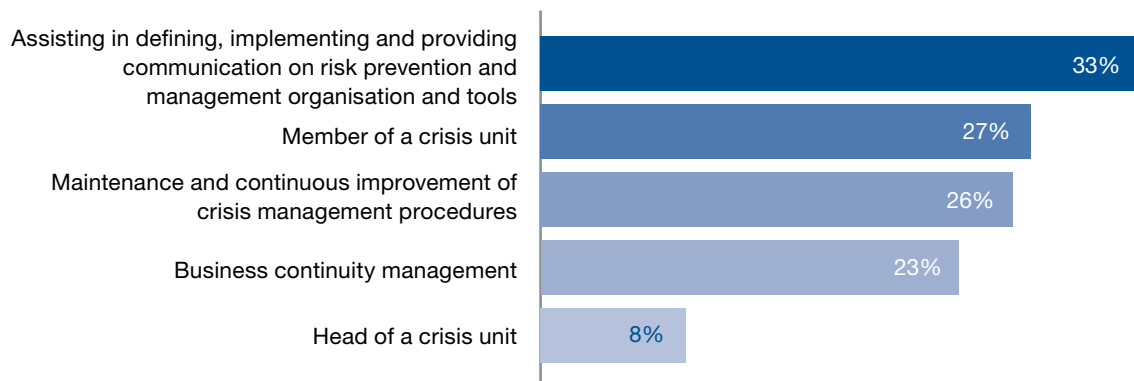


Apart from validating a return to normal operations (47%), tasks related to claims management are carried out by at least 70% of the survey participants.

In 2013, claims management tasks were grouped together with risk financing. The top three tasks were:

- managing relations with brokers and insurers (72%),
- following up claims (72%),
- coordinating management with partners (71%).

Crisis management



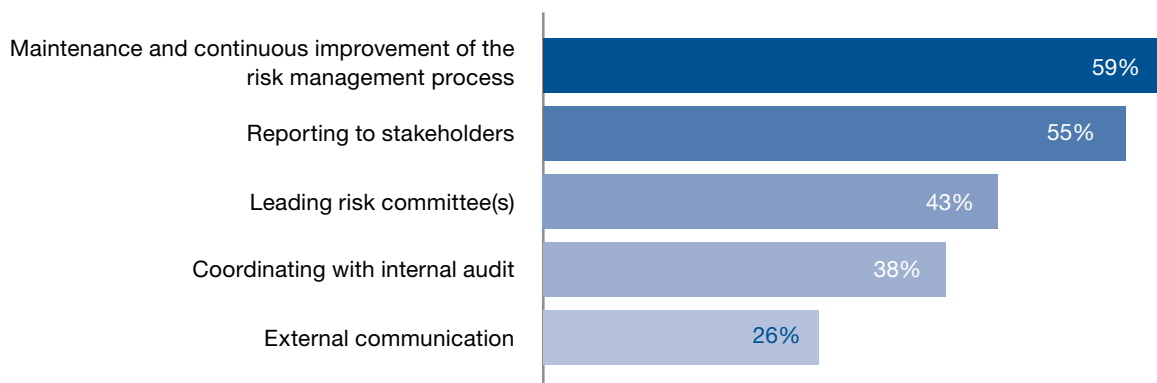
More than 20% of the survey participants are involved in crisis management. But only 8% of survey participants head a crisis unit.

Involvement in crisis management varies according to the risk manager's profile:

- IP risk managers have limited involvement (12%),
- less than half of ERM risk managers take part (35%),
- IP/ERM risk managers are heavily involved (56%).

27% of the survey participants are part of a crisis unit compared with 44% of participants in 2013.

Coordination and reporting



Coordination and reporting mainly includes:

- maintenance and continuous improvement of the risk management process (59%), and
- reporting to stakeholders (55%).

22% of IP risk managers and 86% of ERM and IP/ERM risk managers handle coordination and reporting.

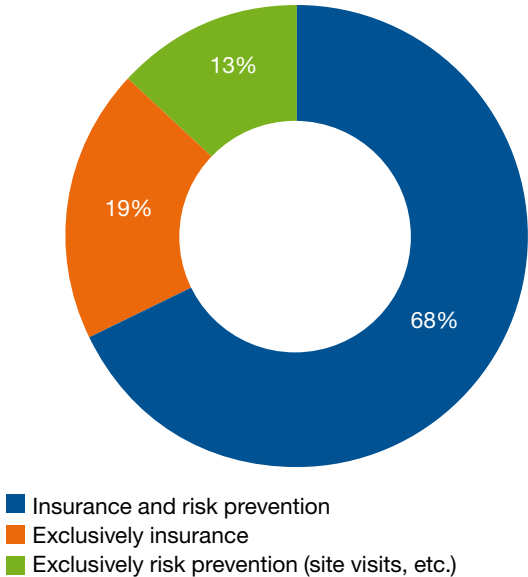
In 2013, the top three tasks related to coordination and reporting were:

- reporting to general management and to managers (68%),
- leading the risk management process (57%),
- continuous monitoring and improvement of the risk management process (57%).

Spotlight on Insurance and Prevention (IP)

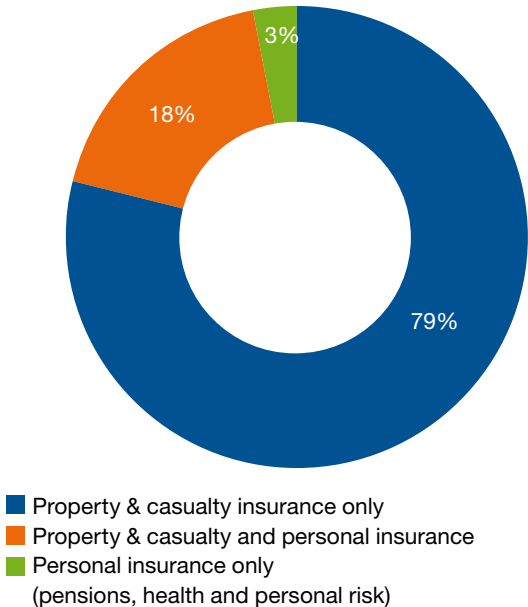
Responsibilities

The majority of IP risk managers (68%) are in charge of both insurance and risk prevention.



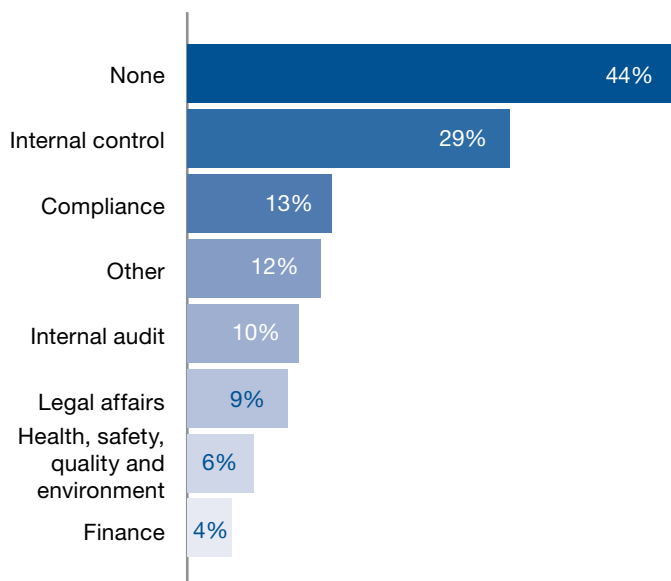
Insurance categories

The vast majority of IP risk managers (79%) only manage property and casualty insurance.



Other responsibilities

NB: This was a multiple answer question.



44% of the participants surveyed do not have any other responsibilities outside those related to insurance and/or risk management.

This varies according to the risk managers' profiles:

- the majority (69%) of IP profiles do not have any other responsibilities. Those who do mainly have responsibilities that relate to legal affairs (17%),
- 48% of ERM profiles also work in internal control,
- 37% IP/ERM profiles also work in internal control.

In the "Other" category (12%), 4% of participants reported that they work in crisis management and/or business continuity planning. The "Other" answers vary and include different responsibilities such as purchasing, vehicle fleet management, security of goods and people, etc.

In addition, 32% of survey participants only have one other responsibility while 24% have at least two.



"There has to be an internal control procedure for every risk. When evaluating a risk, you therefore need to consider the maturity of the relevant internal control procedure. Being in charge of internal control helps me to better identify various avenues available for managing risks. It also helps me to understand the Group's policies and procedures, mainly through my work with process managers, which makes risk identification meetings faster and more efficient. However, internal control is not on the same level as risk management which focuses on critical and strategic risks, as opposed to internal control which focuses on processes and ensuring the security of operations on a day-to-day basis."

Testimonial by a risk manager who is also in charge of internal control

Spotlight on internal control

NB: This analysis only concerns ERM and IP/ERM risk managers.

47% of "top managers" with an ERM or an IP/ERM profile also work in internal control compared with only 32% of "non top managers".

A certain proportion of the risk managers who work in internal control also work in other areas:

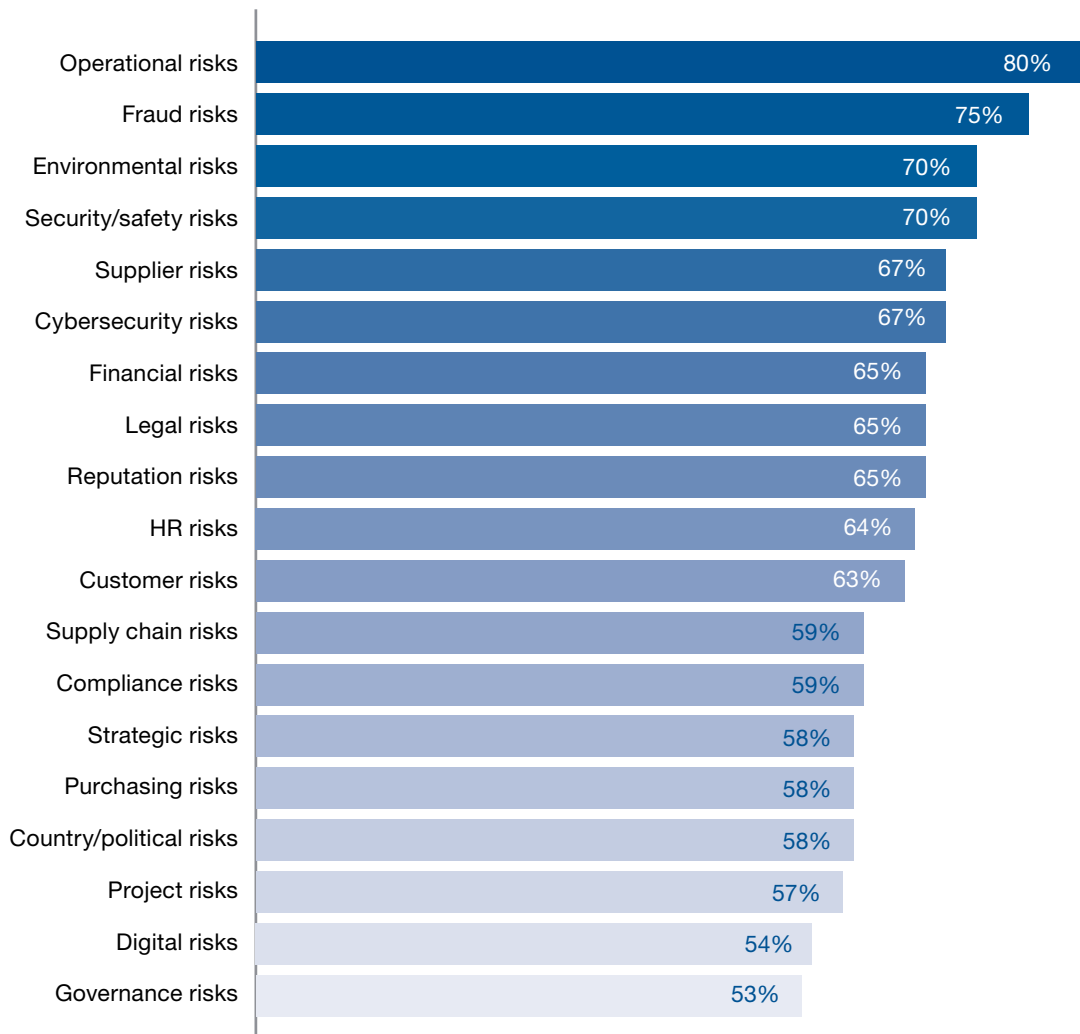
- compliance (31%),
- internal audit (30%).

In 2013, 30% of risk managers were also involved in internal control.

Types of risks

NB: This was a multiple answer question.

Additions to the 2013 list of risks include cybersecurity, purchasing, project and governance risks.



This year the three main categories of risks managed by risk managers were:

- operational risks (80% versus 69% in 2013),
- fraud risks (75% versus 73% in 2013),
- environmental risks and security/safety risks (70% versus 73% and 67% respectively in 2013).

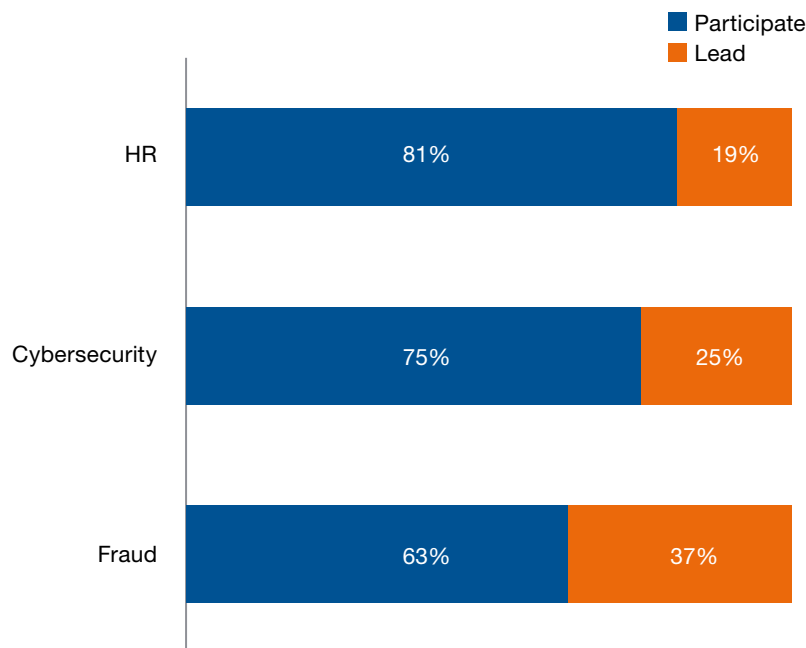
In 2013, the three main categories of risks overseen by risk managers were:

- industrial risks, managed by 74% of the panel (this category was included in operational risks for the 2015 survey),
- environmental risks, managed by 73% of the panel (70% in 2015), and
- country and political risks, managed by 71% of the panel (58% in 2015).

In addition, ERM and IP/ERM risk managers handle all risks presented in this survey report. IP risk managers, however, specialise in the following risks:

- operational risks (70%),
- environmental risks (68%),
- supplier risks (59%),
- fraud risks (59%),
- cybersecurity risks (55%),
- supply chain risks (54%).

Spotlight on risks related to HR, cybersecurity and fraud



More than 60% of risk managers are involved in the management of risks related to HR, cybersecurity and fraud, without necessarily leading the process in these areas.

The trends are roughly the same for the various risk manager profiles with the exception of fraud risk, where 52% of ERM risk managers say that they lead the process in this area.



"Risk managers are responsible for ensuring that their company is well aware of cybersecurity risks. Companies frequently ignore or fail to understand cybersecurity risks due to the complexity of the matter. To identify the cybersecurity risks to which my company is exposed, I use a scenario-based approach that is more comprehensive than approaches used for other risks. This enables me to understand the causes and consequences of specific risks, such as those related to the management of our customer data. It's a difficult area that requires working alongside the IT, security, legal affairs, compliance and risk management/insurance teams. The solutions need to be adapted to the company's strategy and environment. Risk managers need to take a very didactic approach when dealing with cybersecurity risks. For example, they must liaise between internal experts and insurers in order to completely understand these risks, 'sell' them and hedge them effectively."

Testimonial by a risk manager involved in the management of cybersecurity risks

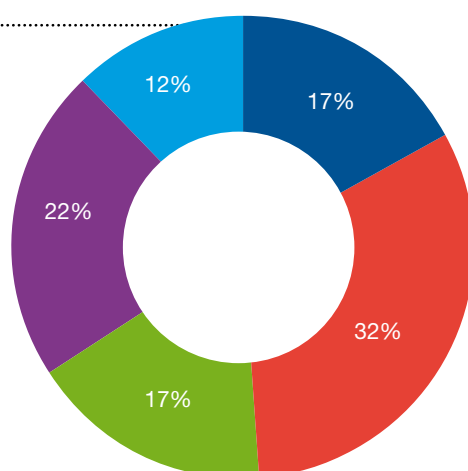


Teams

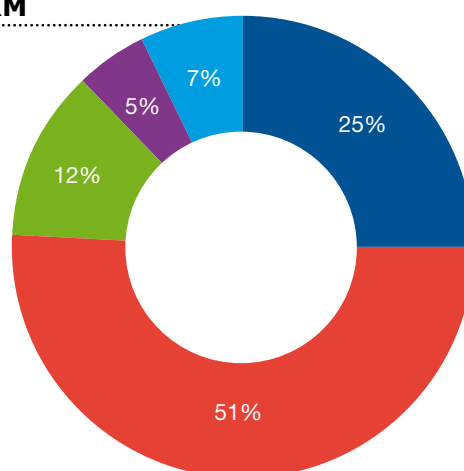
Size

NB: Only "top managers" were asked this question. Answers submitted by "top managers" with an IP/ERM profile are included in IP teams and/or in ERM teams.

IP



ERM



- No team
- 1-2 FTE team members
- 3-4 FTE team members
- 5-10 FTE team members
- More than 10 FTE team members

66% of IP teams comprise fewer than five people and 76% of ERM teams comprise fewer than three people.

Trends

69% of IP risk managers who answered the question reported that the size of their teams had remained stable over the previous twelve months.

The proportions are almost the same for the ERM teams: 74% reported that their team size remained stable.

The same trends were observed in 2013.

Operating budget

77% of risk managers who answered this question, i.e., 145, reported that their budgets were sufficient.

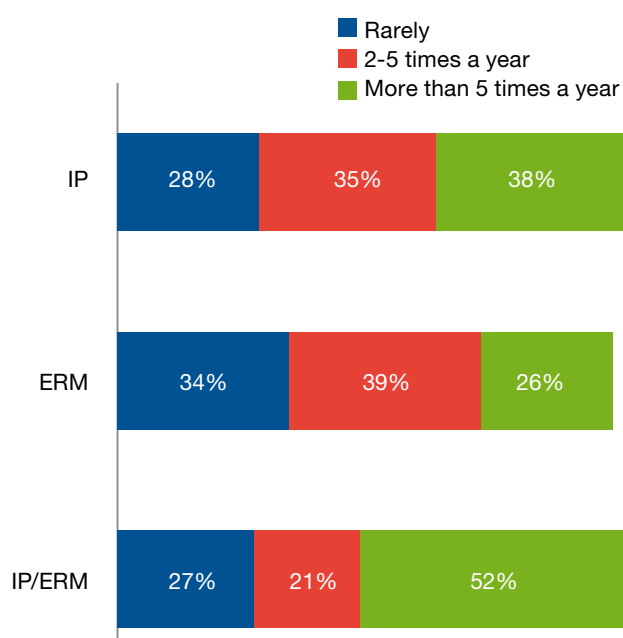
This trend is roughly the same for all profiles: 80% of IP risk managers and 74% of ERM risk managers shared the same view.

The size of the company had little impact on the answer. However, the lowest proportion of risk managers who reported that their budgets were sufficient are from middle market companies (66%).

Business sector is not a differentiating factor either, as 77% of risk managers working in the industrial sector and 83% working in the services sector reported that their budgets were sufficient.

64% of respondents in all sectors and all professional profiles reported that their budgets had remained stable over the previous twelve months.

Business trips outside France



Depending on their professional profile, risk managers are more or less likely to travel outside France on business several times a year:

- 73% of IP and IP/ERM risk managers, and
- 65% of ERM risk managers.

Not surprisingly, "top managers" travel outside France more frequently than "non top managers": 61% and 48%, respectively, travel abroad on business at least twice a year.

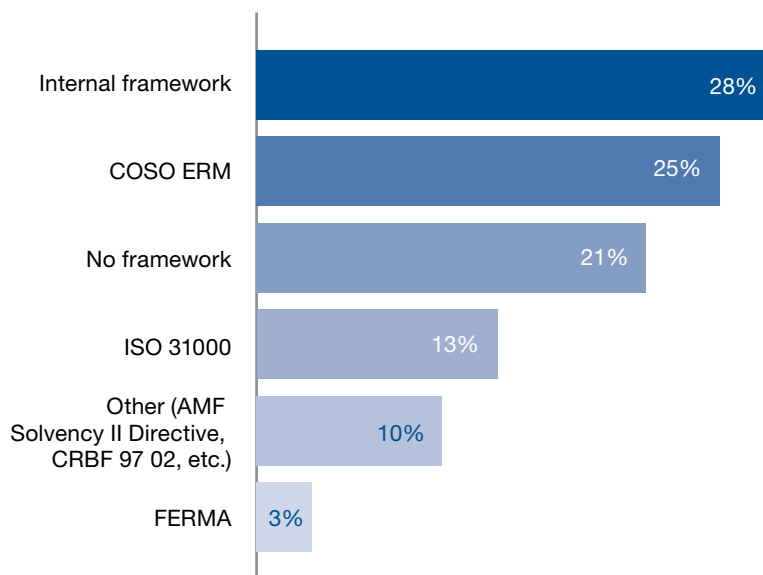
Tools

Risk management framework

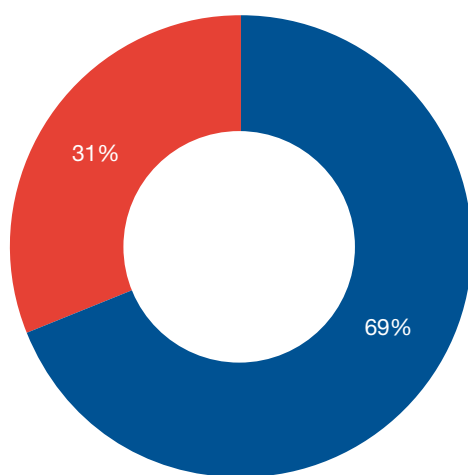
NB: IP profiles were not included in this analysis.

Among risk managers who reported using a risk management framework (79% of participants), the majority use an internal framework (28%), the COSO ERM framework (25%) or ISO 31000 (13%).

NB: The reference documents the most frequently used for internal frameworks are the COSO ERM framework and ISO 31000.



Risk management information systems (RMIS)



■ Risk managers who do not use an RMIS
■ Risk managers who use an RMIS

Only 31% of risk managers use an RMIS. Of those, 77% use a solution offered by a software publisher.



Every year AMRAE publishes its "RMIS Panorama". This reference document enables users to better understand RMIS market trends and the defining features of an increasingly diverse range of publishers. The 2015 version is available from:

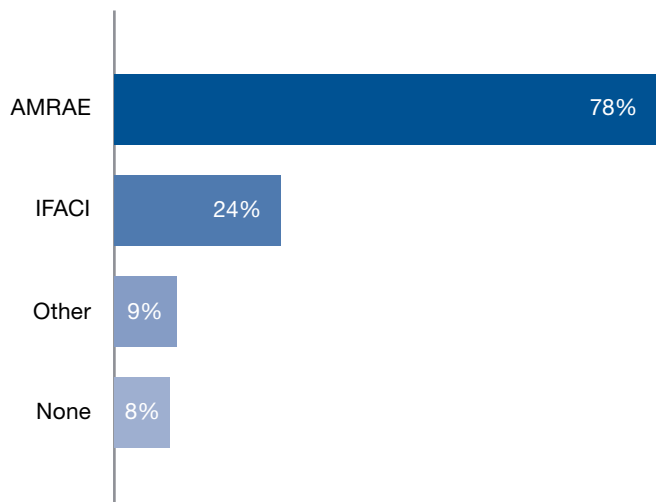
<http://www.amrae.fr/systemes-d'information>



External and internal networks

External networks

Professional risk management networks



The majority of AMRAE's risk manager members have either less than five years or more than 15 years of experience. This can be attributed to less experienced risk managers' need to develop their skills and more senior risk managers wanting to share their experience.

Online professional networks

82% of the survey participants use online professional networks. LinkedIn is the most frequently used network (70%) overall.

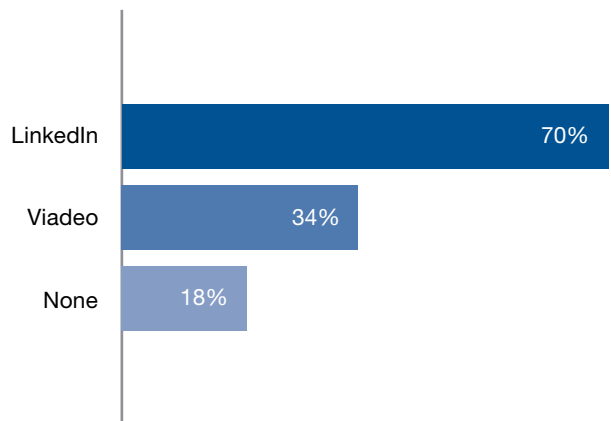
In addition, 32% of risk managers use both LinkedIn and Viadeo.

Age is clearly a differentiating factor, since online professional networks are used by:

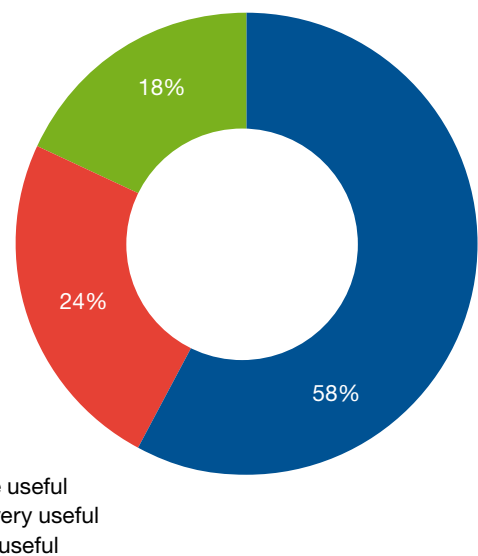
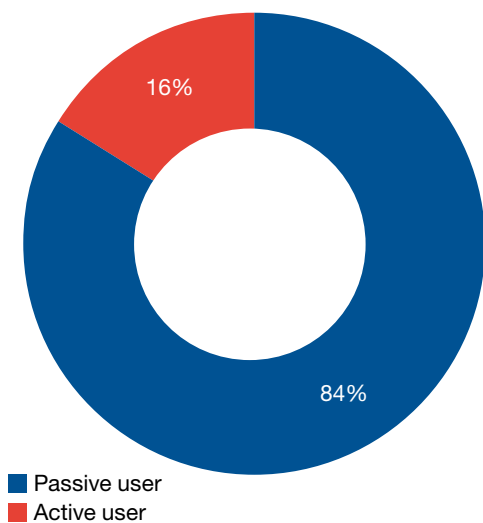
- 21% of risk managers over 55,
- 92% of risk managers between 35 and 45.

Risk managers mainly use online professional networks to:

- expand their circle of contacts (79%),
- browse job offers (62%), and
- look for work (28%).



Use and usefulness of online professional networks



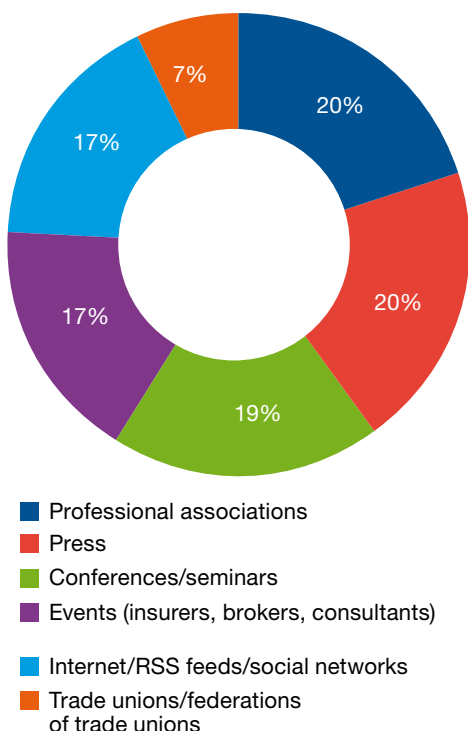
While 58% of the risk managers surveyed believe that online professional networks are quite useful, only 16% are active users.

The level of use depends on work experience: 26% of risk managers with 15 years' experience use these networks compared to only 4% for risk managers with less than five years' experience.

In addition, 21% of "top managers" and only 9% of "non top managers" use online professional networks.

Sources of information for staying up to date

Risk managers use all of the various sources of information to stay up to date (conferences/meetings, paper and digital).

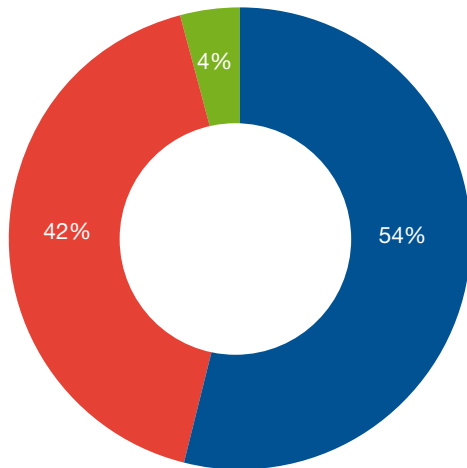


"The sharing and exchange of information among risk managers is more developed than in other professions. This is most likely because our profession is not restricted by standards and because risk managers have a wide range of profiles and experiences. There are different ways of working in this profession. Staying informed about what others are doing enables us to compare ourselves to a benchmark and ultimately improve our business practices. Moreover, we work with stakeholders (insurers, brokers, consultants, etc.) which forces us to monitor market solutions and transactions. Monitoring must be conducted through several channels and AMRAE allows me to get the information I need through committees, events, publications and websites. In particular, I use the #UDR platform available on AMRAE's website to monitor information on the internet that I then share internally when relevant."

Testimonial by a risk manager on multi-channel monitoring

Internal networks

Recognition of risk managers' work



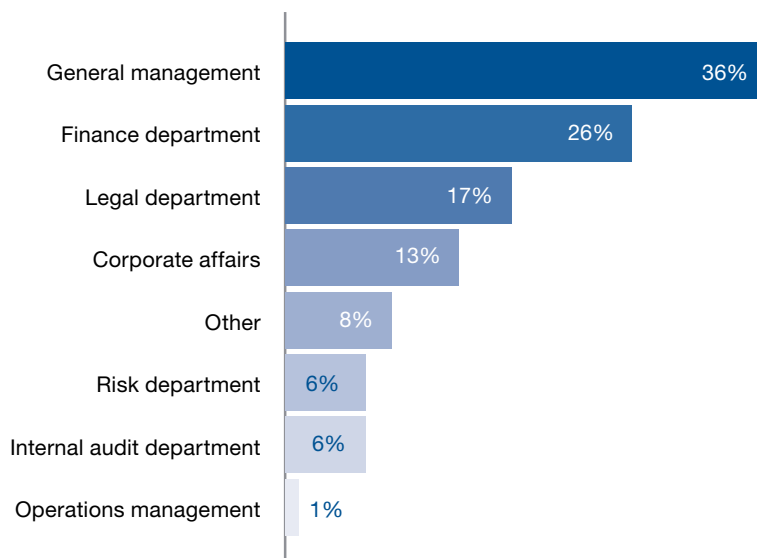
More than half of all risk managers feel that they are receiving more recognition for their work within their organisations.

In terms of professional profile, IP/ERM and ERM risk managers feel that they are receiving considerably more recognition for their work within their organisations.

■ Increasing
■ Stable
■ Decreasing

Reporting lines

NB: This analysis only concerns "top managers".



Risk managers primarily report to general management (36%) or to the finance department (26%).

Reporting lines vary according to professional profiles:

- IP risk managers mainly report to the finance department (40% in 2015 versus 35% in 2013) or the legal department (28% in 2015 versus 24% in 2013),
- ERM risk managers mainly report to general management (46% in 2015 versus 32% in 2013) or the finance department (20% in 2015 versus 27% in 2013),

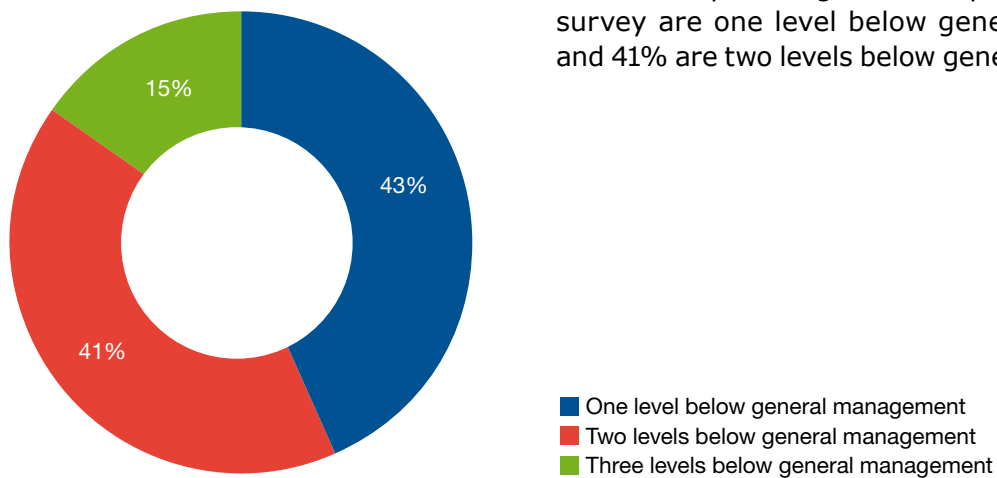
- IP/ERM risk managers mainly report to general management (40% in 2015 versus 13% in 2013) or the finance department (22% in 2015 versus 44% in 2013).

Overall, the proportion of risk managers who report directly to general management has increased (from 18% in 2013 to 36% in 2015).

Risk managers' position in relation to general management

NB: This analysis primarily concerns "top managers".

43% of "top managers" who participated in the survey are one level below general management and 41% are two levels below general management.



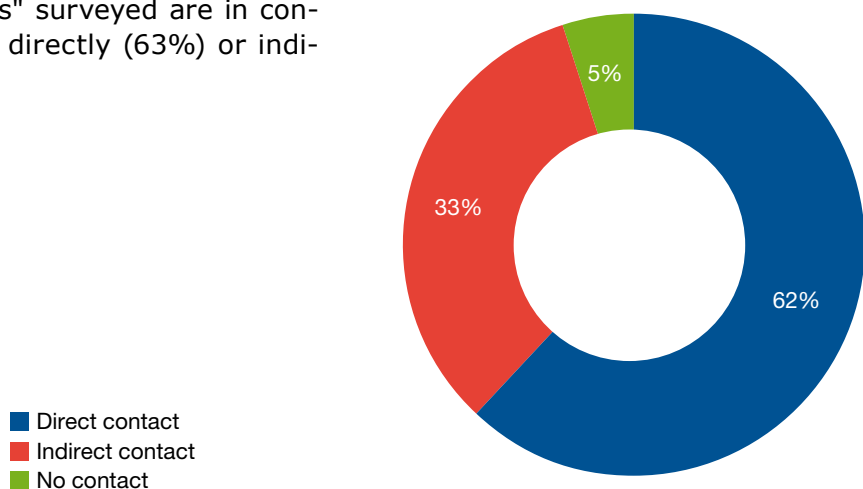
An analysis of the professional profiles revealed that:

- IP risk managers are mostly two levels below general management (44%),
- ERM risk managers are mostly one level below general management (47%), and
- the majority of IP/ERM profiles are one level below general management (52%).

The percentage of risk managers one level below general management has increased from 18% in 2013 to 43% in 2015.

Contact with the CEO

95% of the "top managers" surveyed are in contact with the CEO, either directly (63%) or indirectly (33%).



Committee work

NB: This analysis concerns "top managers" in all professional profiles.



Risk managers chiefly participate in operational risk committees (46% versus 41% in 2013) and audit committees (36% versus 43% in 2013).

However, 21% of risk managers do not work on any committee.

In terms of professional profile:

- the majority of IP risk managers (69% of the survey participants) do not work on any committee, however, 20% of IP risk managers work on operational risk committees,

- ERM risk managers predominantly participate in operational risk committees (46%) and audit committees (43%),
- IP/ERM risk managers mostly work on operational risk committees (51%).

Compared with 2013, risk managers' participation in the following committees is down slightly:

- investment committee (10% versus 18%),
- strategy committee (7% versus 11%), and
- audit committee (36% versus 43%).

Working relations with the three levels of internal control

More than half of risk managers (57%) work closely with operational departments.

In addition, risk managers work closely with the second level of internal control, with both the support (78%) and risk functions (77%).

Approximately half of all risk managers work closely with the internal audit department (47%) and on an as-needed basis with external audit teams (52%).

When asked 80% of risk managers reported that their working relations with each level of internal control were satisfactory.

In 2015, 82% of the survey participants said they worked closely or on an as-needed basis with internal audit. In 2013, 68% of the survey participants said they worked alongside the internal audit team.



In 2013, AMRAE and IFACI presented a joint report entitled "*Trois lignes de maîtrise pour une meilleure performance*" [Three levels of internal control for optimal performance]. Its purpose is to clarify the roles and responsibilities of each level of internal control. The document (in French only) is available from:

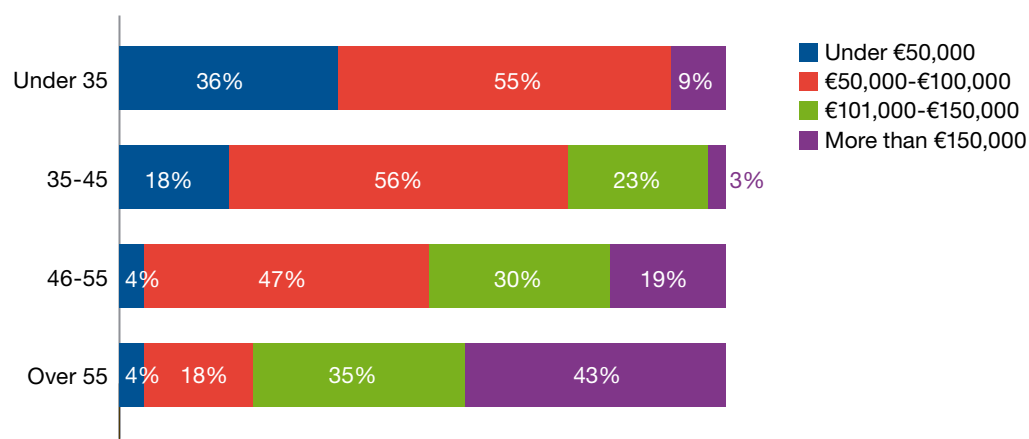
http://www.amrae.fr/sites/default/files/fichiers_upload/2013_AMRAE_IFACI_PP_1709_0.pdf.





Compensation

Fixed compensation (salary)



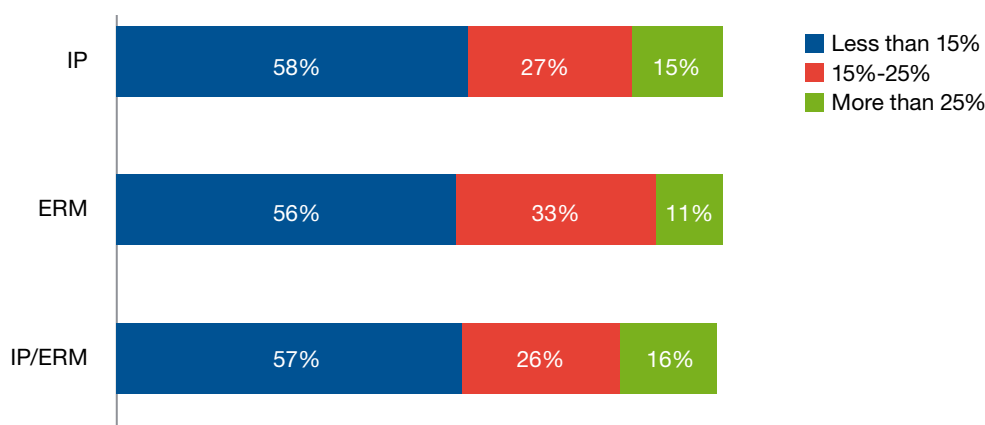
Gross fixed compensation	Under 35	35-45	46-55	Over 55	Total
Less than €50,000	4	11	3	1	19
€50,000 to €100,000	6	34	30	4	74
€101,000 to €150,000	-	14	19	8	41
More than €150,000	1	2	12	10	25
Total	11	61	64	23	159

This year 159 risk managers answered questions related to compensation.

58% of risk managers, i.e., 93, in all professional profiles received a gross salary less than or equal to €100,000.

Risk managers' annual gross salary averaged €108,000 for "top managers" (within the range observed in 2011 and 2013) and €84,000 for "non top managers".

Variable compensation (bonus)



Irrespective of the professional profile, the majority of risk managers receive variable compensation of less than 15% of their fixed compensation:

- 58% of IP profiles,
- 56% of ERM profiles, and
- 57% of IP/ERM profiles.

52% of "top managers" receive variable compensation of more than 15% of their fixed salary versus 28% of "non top managers".

In 2013:

- 25% of risk managers with an IP profile who answered the question receive variable compensation equal to 22% of their fixed compensation,
- 10% of risk managers with an ERM profile who answered the question receive variable compensation equal to 23% of their fixed compensation, and
- 28% of risk managers with an IP/ERM profile who answered the question receive variable compensation equal to 17% of their fixed compensation.



"The roles and responsibilities associated with top level risk management positions have indeed been expanding. Some large CAC 40 companies, however, do have both a risk management/internal control director and an insurance director. Managers who are in charge of both insurance and risk management in large companies often receive bigger bonuses.

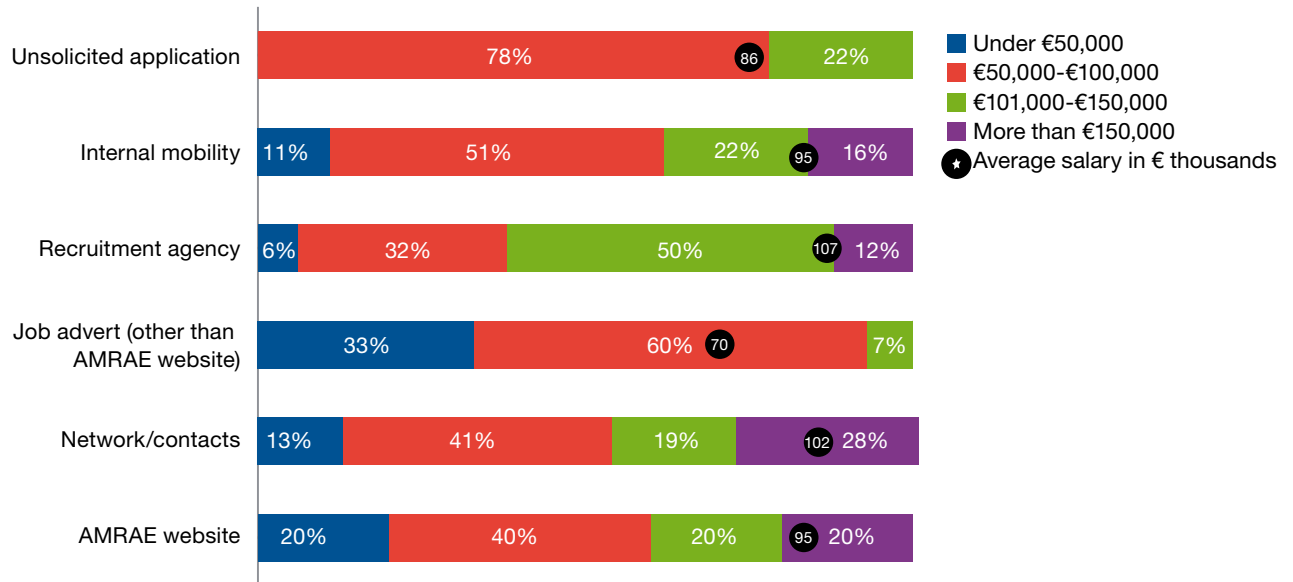
Directors (such as internal control directors) who also handle risk management are typically recruited through internal mobility. Those who come from the insurance sector or another company generally get a pay rise when they move. However, the increase is limited by the relatively low number of positions at this level and the large number of candidates.

When looking through applications for top level risk management positions, companies favour candidates with degrees from engineering and business schools and Sciences Po. For positions at this level, technical skills are important, of course, but employers are also looking for interpersonal and analytical skills as well as an open mind."

A specialised recruitment agency

Compensation factors

Recruitment methods

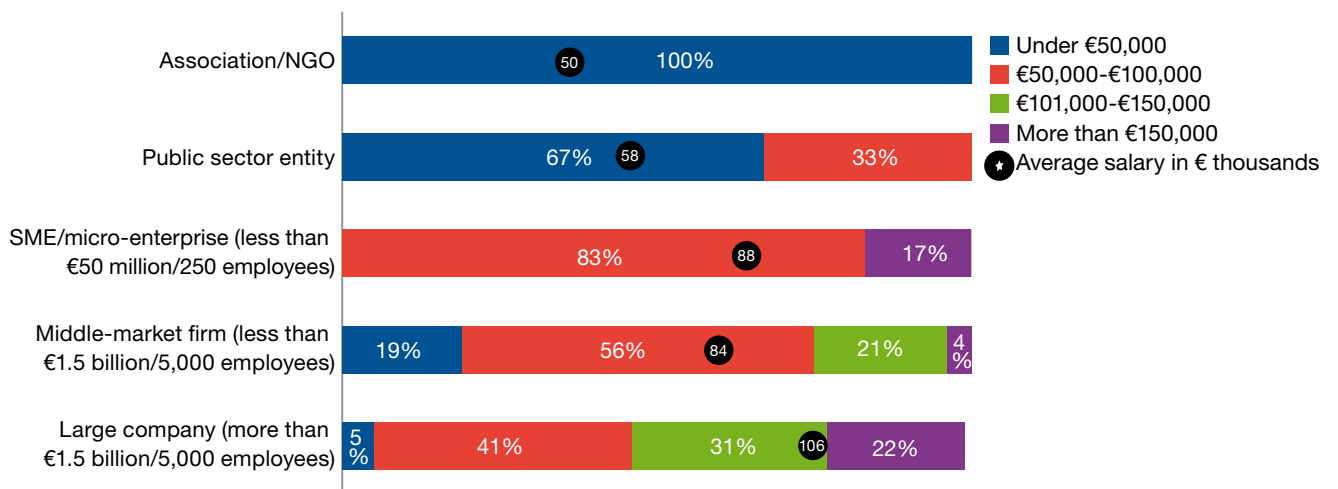


Risk managers who found their current position through a recruitment agency (€107,000) or through their network (€102,000) have a higher average salary than risk managers who found their current position through other channels.

This is true for both "top managers" and "non top managers".

The same trend was observed in 2013.

Company size



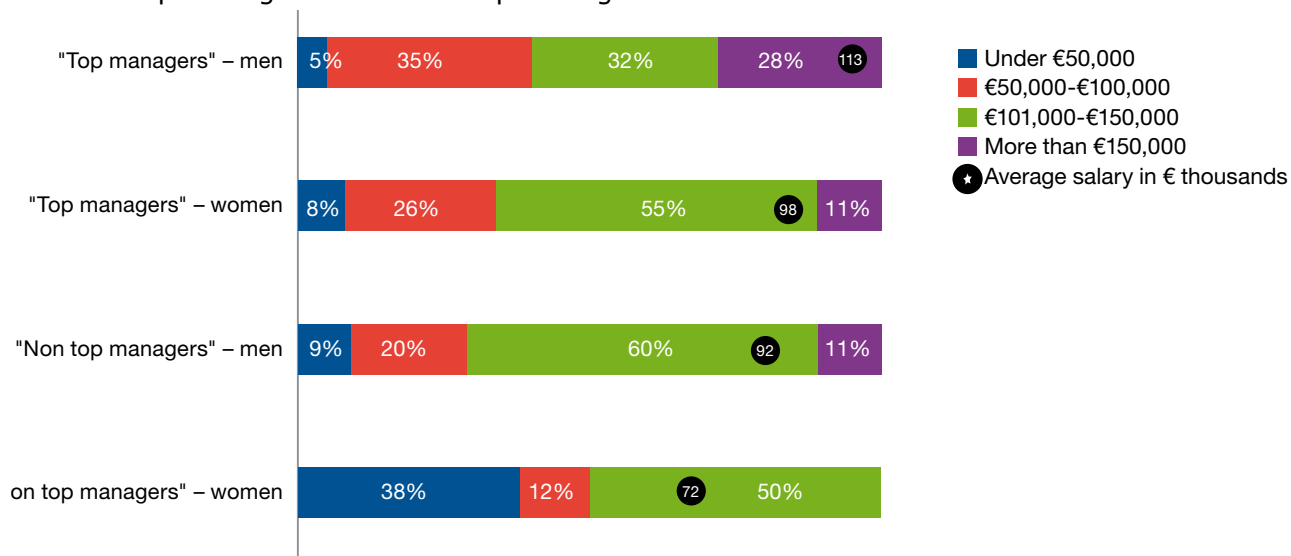
The average salary for risk managers in large companies (€106,000) is higher than the average salary for risk managers who work for smaller organisations.

This is also true for both "top managers" and "non top managers".

As in 2013, salaries are proportional to the size of the company.

Gender

Women risk managers earn less than their male counterparts. This gender pay gap also applies to both "top managers" and "non top managers".



The gender pay gap was:

- 15% for "top managers" (€113,000 for men versus €98,000 for women), and
- 28% for "non top managers" (€92,000 for men versus €72,000 for women).

This analysis could be further developed by taking into account the compensation differences related to different sectors and the profiles of risk managers who answered these questions.



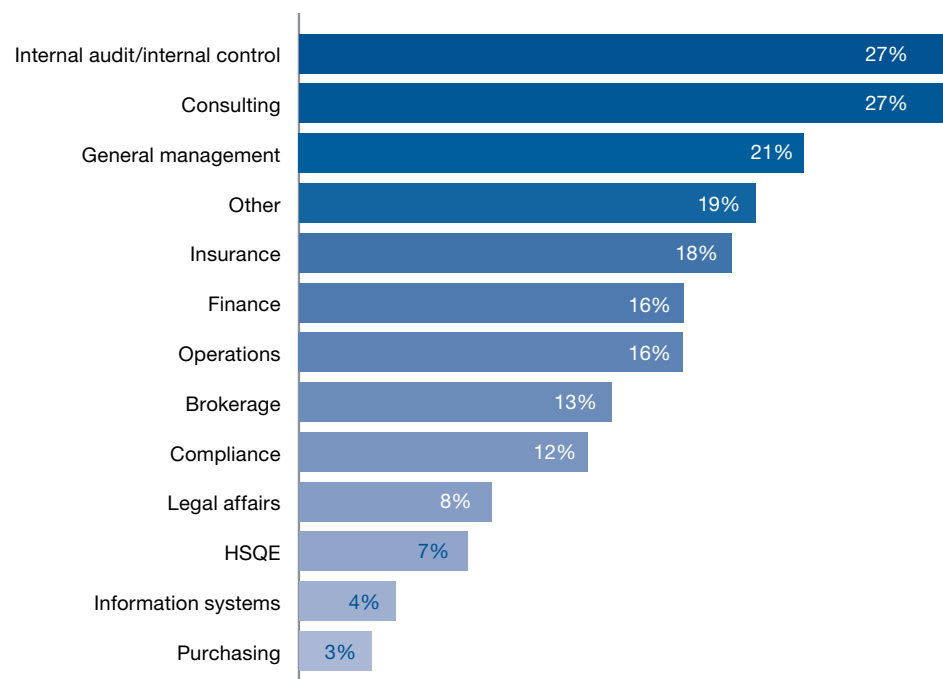
Career development

Future of the profession

The risk managers surveyed indicated an increase in responsibilities related to risk culture development within their company (70%) and risk assessment (64%).

They also reported carrying a slight decrease in tasks related to claims management (7%).

Personal career development opportunities



Internal audit/internal control was the most common field for career advancement in 2015 (27% versus 19% in 2013 when it was the second most common).

Within the "Other category", survey participants cited taking on another risk manager position, retirement or uncertainty concerning career advancement.

In addition, career development opportunities in compliance decreased from 21% in 2013 to 12% in 2015. One of the reasons for this drop is that 13% of risk managers who answered the survey now also work in compliance (see "Other responsibilities").

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